

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: South Carolina

Requirements for Third Party Liability -
Payment of Claims

The state uses a cost avoidance method of claims processing when third party liability is established at the time a claim is filed. The State Health and Human Services Finance Commission does not utilize a threshold value in the cost avoidance process.

Exceptions to the cost avoidance method are waived claims (pharmacy and crossover physician claims), EPSDT, prenatal or preventative pediatric care and all claims covered by absent parent maintained insurance under Part D of Title IV of the Act.

1. When a recipient's third party liability is derived from an absent parent whose obligation to pay child support is being enforced by the IV-D agency, providers are not required to bill that third party prior to billing Medicaid. Medicaid pays the claims and receives a report listing all claims paid under these circumstances on a weekly basis. Reimbursement is subsequently sought up to the amount of the Medicaid payment.

2. In general, recovery of reimbursement is sought directly from the liable health insurance companies for all identified claims without regard to a threshold amount or any other guideline. The sole exception is for institutional provider claims paid prior to the onset of cost avoidance where other health insurance resources are known to exist. Because recovery of reimbursement for these claims is sought directly from the providers rather than from the liable health insurance companies it is not cost effective to pursue claims with small dollar amounts. For these claims only, a threshold amount of \$20 per claim is utilized in the pay and chase process. For casualty insurance resources, the threshold used to determine whether or not to establish a case is one paid claim of at least \$40. No threshold is applied to the identification of paid claims with trauma diagnoses.

3. All claims which are not cost-avoided, including waived claims (pharmacy and crossover physician claims), EPSDT, prenatal or preventative pediatric care, and all claims covered by absent parent maintained insurance under Part D of Title IV of the Act, are accumulated and billed directly to the liable health insurance companies on a quarterly basis without regard to a dollar amount. In casualty cases, once one claim of at least \$40 has been paid and a case has been established, all associated claims are accumulated and billed regardless of dollar amount.

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